

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

FANNIE MAE,	:	
	:	Case No. 1:24-cv-01606-BMB
Plaintiff,	:	
	:	Judge: Hon. Bridget Meehan Brennan
-vs-	:	
	:	
HATZ ONE LLC, <i>et al.</i> ,	:	
	:	
Defendants.	:	

**SUGGESTION OF DEATH AND STATUS UPDATE**

Plaintiff Fannie Mae (“Plaintiff”) hereby provides notice of the death of Defendant Mendel Steiner and other relevant developments before the Status Conference scheduled for February 11, 2025. For the Court’s consideration before the Status Conference, Plaintiff presents the follow updates:

**A. Suggestion of Death of Mendel Steiner, Guarantor.**

By email dated January 13, 2025, Defendants’ counsel confirmed tragic reports that Mendel Steiner, the guarantor of Borrowers’ loan, recently passed away. Mr. Steiner’s unfortunate death and the practical uncertainties inherent to it exacerbate the concerns that Plaintiff exhaustively chronicled in its Emergency *Ex Parte* Motion for Immediate Appointment of Receiver [Doc. #3] and its Supplemental Brief in Support of Motion to Appoint Receiver [Doc. #23]. Mr. Steiner was the sole member of each of the Defendant-borrowers in this action, throwing into immediate question the path forward for each of those entities.

**B. Updated Inspection Report.**

Plaintiff inspected the Properties, by agreement with Borrowers, on February 3-5, 2025. Plaintiff was able to access only 84% of the units of the 308 units. A full inspection report is being

prepared and Plaintiff expects to be able to provide it to the Court as early as this week. Plaintiff can provide the Court and parties a copy of the final report as appropriate.

**C. Discovery of Pending Housing Code Litigation and Recordation of Affidavits of Fact by City of Cleveland.**

Plaintiff was recently made aware that Borrowers are defendants in at least six different corporate housing court proceedings in the Cleveland Municipal Court. Plaintiff has discovered the following pending cases, all of which allege different charges based on violations of the relevant housing code:

- 2023-CRB-002081
- 2023-CRB-004366
- 2024-CRB-001653
- 2024-CRB-003777
- 2024-CRB-003778
- 2024-CRB-003792

At least three of these cases (003777, 003778, 003792) include recent orders from December 2024 that assess contempt citations with sanctions assessed in the amount of \$1,000 per day. Copies of these contempt citations are attached as Exhibit A. These contempt citations were entered about 60 days ago, which could result in total contempt sanctions of more than \$180,000 (60 days x \$1,000 per day x 3 cases).

In addition, Plaintiff recently discovered that the City of Cleveland recorded four Affidavits of Fact Related to Title. Copies of the Affidavits are attached as Exhibit B. These affidavits were recorded on November 12, 2024, and each provide record notice that Borrowers are not in compliance with certain violation notices issued by the Building and Housing Department.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was electronically filed on this 10th day of February, 2025. Notice of this filing will be sent to all registered parties by operation of the Court's ECF filing system or by regular U.S. mail as indicated below:

#### **Regular U.S. mail:**

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/s/ Matthew D. Gurbach

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